

## **ARA Proposed Regulatory Concepts for the ARB Off-Road Rule**

### **Principles for Establishing a Regulation**

1. The goal of the regulation must be to reduce statewide cumulative 25 horsepower and greater off-road mobile equipment exhaust direct particulate emissions by the greatest amount that is technically and economically feasible or 85% in 2020 compared to 2000, whichever is less.
2. The regulation must not take a “command and control” approach that requires an action on every engine in an owner’s fleet.
3. This regulation must not require any newly (new or used) purchased equipment to be retrofitted with VDECS before placing the unit in service.
4. Each fleet must be given the greatest flexibility in meeting its annual, declining emission goal.
5. The emission goal for each fleet should be established on a tons per year basis.
6. The mass emission reduction plan necessary to establish fleet annual goals should be established as a part of the rulemaking process
7. Older fleets that emit more tons particulate at any point in time should be required to reduce their emissions by a greater percentage than equivalent newer fleets that emit fewer tons.
8. Fleets that reduce emissions more than necessary should be rewarded through a regulatory mechanism such as emission credits that can be traded or banked.
9. ARB must treat public and private fleets equally.
10. ARB should develop a regulation that relies on self-certification of fleets.
11. Enforcement should actively target equipment owners and contractors that ignore the regulation with the imposition of substantial fines.
12. ARB must not impose a costly registration program like that required for portable equipment.
13. Record keeping and annual compliance reporting requirements must be simple.
14. The regulation must be applied uniformly statewide.

15. The regulation must not *require* any NO<sub>x</sub> reductions.
16. There must be very few regulatory exceptions or variances.
17. There should be some regulatory flexibility for very small fleets (say 5 or fewer pieces of equipment).
18. Any regulatory exceptions or variances must not create loopholes that could *exempt* high emitting engines or fleets from regulation.
19. The regulation must not unduly prevent business expansion or the ability to modify a business plan.

### **ARA Regulatory Concept**

#### ***Fleet Identification***

1. Every ***fleet owner*** with mobile off-road equipment is required to notify the State and receive a fleet identification number.
2. Owners with multiple sites will have a single identification number to cover all sites.
3. There must be no fee associated with the fleet identification number.
4. ARB can make equipment tags available to fleet owners that must be affixed to each piece of equipment operated in California.
5. The tag might provide the fleet owner's identification number, contact information and an equipment identification number assigned by the ***fleet owner***.
6. ***The fleet owner*** must maintain suitable equipment records available to the State by equipment identification number.

#### ***Compliance***

1. Each fleet owner will be assigned a mass emission baseline (tons) based upon the makeup of his fleet. The baseline should be related to the statewide average age of equipment in his fleet, statewide average hourly use, and emission factors for that average piece of equipment to the extent that ARB has available data to establish the averages.
2. There will be a single statewide annual percentage reduction schedule designed to reduce each fleet's baseline emission over time such that the total statewide particulate emissions are reduced by 85% at the year 2020 compared to 2000.
3. ARB must develop a computerized tool that fleet owners can use to manage their emissions budget and help generate their annual compliance report.
4. At the end of each year, the fleet owner would be required to provide ARB with a report. The report might characterize each piece of equipment in the fleet, its identification number, and its annual emissions based upon the equipment's emission factor for its duty cycle and actual operating hours. The report must demonstrate compliance with the emission baseline budget for that fleet. Banked

- or purchased credits can be used for compliance purposes. Credits may be generated.
5. All reports must be kept confidential to protect business information.

### ***Enforcement***

1. Failure of a fleet owner to obtain an identification number must put that fleet owner at risk of an enforcement action.
2. Failure to report or falsifying a report will result in an enforcement action.
3. All documentation for compliance reports must be available for audit purposes.
4. The State could inspect fleets. If untagged mobile off-road equipment is found, the officers may require the operator to shutdown the equipment and the owner could be subject to an enforcement action.
5. Rental companies and contractors must provide written evidence to customers to affirm that they have a state identification number and are compliant with the off-road mobile source regulation.
6. Any person or entity using off-road mobile equipment that does not comply with state regulation is subject to enforcement.
7. General contractors are subject to an enforcement action if they or their subcontractors utilize equipment that does not comply with state regulation.